NATO'S COVER-UPS

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Tells the Facts and Names the Names

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War Diary II

Two months into the war, Nato's military high command is now settling into a routine for dealing with the collateral media damage caused by massacres of civilians by Nato bombs. The response to news that in one Nato raid on Korisa about 100 civilians had been blown apart and, in many cases, burned to a cinder as they slept provides an instructive guide to what is by now becoming a familiar routine.

First reports came complete with pictures so horrific that network news anchors in the US prefaced their coverage that viewers might find the footage "disturbing". A Serb reporter for AFP, among the first to reach the scene, retrieved the fin of what was unquestionably an American bomb. Nato responsibility seemed clear and unquestionable. However, the Serb provenance of the reports allowed Nato authorities to swing effortlessly into a standard evasive maneuver by suggesting that the reports were of course suspect as mere mouthpieces of Slobo' s propaganda machine. Addressing this point, John Simpson, chief foreign correspondent of the BBC, noted from Belgrade, that, though tightly controlled by the Belgrade government Serb reporters are "very much like Western journalists. Even under Tito, Yugoslav journalists were well-known for their relative objectivity. They will certainly report the official assessment of casualties in an attack, but, if their reporters on the scene give a different figure, they will broadcast that. And the reporters will use their own judgment. My experience after 54 days of warfare here is that, when the first reports come in that civilians have died in a Nato attack, they are almost always correct."

Such informed caveats do not of course enter the briefings, formal and background, of the Pentagon spinners and their odious counterpart in Brussels, Jamie Shea. By the day after the Korisa killings, they had moved to stage two of the damage control formula: the suggestion that the true facts were unclear, along with hints that the Serbs did it, or, as they informed the Washington Post for its May 16 edition "Serb artillery had been active in the area".

At the Nato briefing on May 14, the day after the bombing, spokesman Shea introduced his presentation with a large slide projected on a screen bearing the words "A Good Day". Shea made no mention of the Korisa attack in his presentation, though when questioned, he promised "a full investigation". In fact, the high command had already made its investigation. General Wesley Clark had reportedly stayed up until 3 am on the night before Shea spoke reviewing the pilot reports and video footage and had personally sub-edited the initial Nato statements.

Two days after the attack, in time for the Sunday papers, Nato was ready to abandon the "Serb artillery" defense and admit that they had indeed killed the Kosovars. Now however, the village of Korisa had become a "command center" and therefore a legitimate military target. Background briefings suggested that the Serbs had hurriedly removed signs of military activity, including an artillery bunker, before allowing reporters on the scene.

By the beginning of the following week, Nato had settled into the final phase of the operation: the massacres were wholly the Serbs' fault, since the refugees had been "herded" down from the hills to act as "human shields" against Nato bombs. (They would hardly have been of much use as human shields unless, of course, Nato knew they were there and bombed anyway.)

The true facts of the matter appear to have been that the inhabitants of Korisa,

(**War Diary** *continued on page 2*)

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some four thousand people, had fled their homes some two weeks before the bombing attack and taken to the hills. Just before the attack they returned, either at the behest of the Serb authorities, or, as one survivor told Paul Watson of the Los Angeles Times, because they were running out of food. The Washington Post did note on May 18 that "A visit to the scene by a Washington Post reporter Saturday, and interviews with survivors conducted without the presence of Yugoslav authorities, provided no indication of a military presence near the field where the people were killed", but that came in paragraph seven of a story that gave deferential weight to the bombers' view of events.

British Flagwaggers

When you read phrase-mongering about "the slow disintegration of American purpose" you can be pretty sure that the author wants the bombs to fall, tanks to roll and people to die. Such phrases, these days, are coming from social democrats in Britain, angered that Bill Clinton is not matching their own pipsqueak bombardier, Tony Blair, in rhetorical bellicosity.

On May 11 Hugo Young, the most pompous pundit in Europe, lamented in The Guardian (pulpit for the Blairites and New Labor) that "What used to be called the free world is in need of a leader. Nomi-

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"There was no indication of a military presence where the people were killed."

nally, it has one. Unless that leader is President Bill Clinton, who ever could it be? Yet Mr. Clinton does not want to lead." After churning his way through 16 paragraphs of turgid remonstration Young concluded, "We are witnessing, I believe, the slow disintegration of American purpose."

With far more vulgar shrillness, Ian Williams, UN correspondent for The Nation, frets in Salon about America's moral inertia, in contrast to the "new European leftist governments" whose "socialism may be attenuated in this era of global capital" but who "have enough of an ideological core to do the right thing"—namely, to get Milosevic out of Kosovo, "if not out of office".

Now the liberal press in Britain is hailing Blair as the true leader of the Free World and the herald of a land war. A reality check: The commander of Task Force Hawk, the U.S. Army' s force of 24 Apache helicopters and associated Multiple Launch Rocket Systems, has listed "crime" as a bigger threat to the force than the Yugoslav army. This is a tribute to the Albanian mafia, the real rulers of that country, which in other operations is managing to smuggle as many as 1200 people a night across to Italy despite the presence of Nato' s naval might in the Adriatic.

The sorry saga of Task Force Hawk provides conclusive proof that the notion of a ground invasion of Kosovo by Nato is pure fantasy. Simply getting the helicopters and rockets along with the supporting troops and equipment took no less than 200 C-17 flights, the C-17 being the air force' s newest heavy lift transport with a capacity of 58 tons.

Such simple realities belie the absurd posturing of Prime Minister Tony Blair and Foreign Minister Robin Cook as they whip up a storm of headlines with demands for a ground offensive. Blair and Cook know full well that there is no danger of such an offensive, leaving them free to impress a gullible British public with their Thatcherite resolve.

American Mad Dogs

Liberals and social democrats who came of age politically amid protest against the war in Vietnam now talk in exactly the same phrases as did those Kennedy liberals back in the 60s about the crusade that required planes, helicopters, Special Forces, troops, B-52 raids, the Phoenix program, My Lai and ultimately two million dead people.

Listen to The New York Times' Thomas Friedman, the maddest dog in the war chorus: "Only when [the Serbs] conclude that their nationalist fantasies have brought them to a very dark and lonely corner will they change. The Balkans don't need a new Serbian leader, they need a new Serbian ethic that understands how to live in 21st century Europe. NATO can't produce that transformation. But by intensifying the bombing and intensifying the diplomacy, it can create the conditions in which that transformation might begin. Stay the course."

And listen also to the Punch and Judy version of Friedman's demented ravings, coming out of the mouth of Bill Maher, on Politically Incorrect on May 7, addressing the Serbs: "Let me be the first to say I am so sorry that supporting a genocidal regime has turned into such a hassle for you. I'm sorry if our bombing has delayed the delivery of your J. Crew catalog or screwed—[laughter]—screwed up your commute. And by the way, if I were you, I would write a strongly worded letter to the transit authority, because I've seen your bridges, and frankly, they're a mess. [laughter and applause] Believe me, we would never have started bombing them if we realized it was keeping you from getting to Tae-Bo class. So maybe what you yuppie fascists need to do is stop supporting an evil dictator who is hell-bent on eliminating an entire people just because their ancestors kicked your ancestors' asses 600 years ago. Let it go. You're yuppies, get some therapy. [laughter] Get your moral clock working. Let me give you a hint. If in your language you have ever used the phrase, 'Can I get to the mall if I make a left at the death camp',—[laughter]—you might be a redneck."

Once you've comfortably designated ordinary Serbs as "yuppie fascists" then it's easy to accommodate the thought that cluster bombs or laser-guided bombs are justly landing on Serbian hospitals, railway stations, nightclubs and coffee bars. Thus does the phrase "Die, yuppie scum," get cashed into the currency of shrapnel. ■

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WAR DIARY

Kucinich Heads Off War Powers

Take that congressional vote on April 28, 213-213, a tie that meant the House withheld support for the war. It was a setback to the Clinton administration whose implications the press missed at the time. The language of the House resolution was similar to that of a Senate resolution (Senate Con. Res. 21) approved earlier, endorsing the war. Had the House also voted in favor, the administration would have legitimately claimed that joint approval meant that Clinton had satisfied the requirements of the War Powers Resolution of 1973, which mandates that unless the president gets congressional authority within 60 days to wage war, he must immediately terminate all use of armed force. The 60 days expire on May 25.

The crucial component of the 213-213 tie vote was the block of 26 Democrats voting with the Republican majority. These Democrats were mustered by Rep. Dennis Kucinich of Ohio, an opponent of the bombing. Kucinich organized a phone bank and put out a leaflet to his congressional colleagues that read in part: "Section 5 of the War Powers Resolution states that the President must terminate the use of force after 60 days, unless Congress 1) declares war, 2) enacts explicit authorization of use of force, 3) extends the 60 day period. It is important to realize that although S. Con. Res. 21 refers only to air war, it is an explicit authorization of force that the President may use to escalate the war and deploy ground troops. The President will not be limited to only air war once the War Powers Resolution requirement is fulfilled."

Kucinich rose six times during the debate to make one-minute speeches. For those who have followed his career it was consummation of a comeback from political death that took almost a generation. We first encountered Kucinich back in the late 1970s when he was the youthful mayor of Cleveland who fell afoul of the city's business elite by defending Cleveland"s municipally owned utility. In the end the fight cost him the mayoralty, and for 20 years Kucinich roamed the state, trying to get a congressional seat. In 1996 he finally did. Now here he was on April 28 trying to muster enough Democrats to defeat the war-enabling resolution as Clinton lobbyists were piling on the pressure.

Kucinich rose one last time: "Today we will decide whether to continue bombing; bombing which has not worked, bombing which has been counterproductive, bombing which has destroyed villages in order to save the villages, bombing which is killing innocent civilians, both Kosovar Albanians and Serbians; bombing which is leaving little bomblets across the terrain in Kosovo, injuring young Albanian children, unexploded bombs being played with by children. There are more amputations now in Kosovo than have ever occurred probably anywhere because of these unexploded bombs that children are finding and playing with and are blowing up.

"Today we will decide whether to continue bombing, bombing which has not worked."

"I think, Mr. Speaker, this is a metaphor for the war. This entire war is an unexploded bomb which is ready to maim and kill children. The sad fact is that today, if we pass Senate Con. Res. 21, we will be authorizing not just continuing the bombing, but sending ground troops, and we will have given a license to expand an undeclared war. The cruelest irony is that Congress will take money from the Social Security surplus, money that our senior citizens need to assure their Social Security, they will take that money and use it to send their grandchildren to fight. We must continue to give peace a chance, declare a cease fire, halt the bombing, help the refugees, pursue peace, not war."

As the Speaker prepared to gavel for a vote it became apparent that the administration was about to win. The tally stood at 213-212. Kucinich was standing by one of the exits to the chamber, peering down the corridors for one last Democrat to appear and save the day. The halls were empty. There's a convention in the House that any member can postpone a vote by shouting, "One more!" The Speaker raised his gavel and in desperation Kucinich shouted out, "One more!" The gavel did not descend. It waited. Then, miraculously, came from some tardy Democrat or Republican—at the time no one was quite sure who—the final tying vote. The gavel came down. The roll call was closed: 213-213. The administration had gone down to defeat. The way was now open for Rep. Tom Campbell and an alliance of Republicans and Democrats to press their court suit brought by Michael Ratner of the Center for Constitutional Rights compelling Clinton to abide by the Constitution Article One, (Section 8), and by the War Powers Resolution of 1973. It was a great day, and a great vindication for Dennis Kucinich, who refused to lie down and die after the business elites of Cleveland rolled over him, all those years ago.

Because of Kucinich's successful stand Clinton lacks explicit authority for his war and, according to Ratner, "there's a slight chance a federal judge will declare that Clinton is violating the Constitution". ■

How to Get Rid of a Problem Missile

CounterPunch has been told by a Pentagon procurement auditor about a nasty little secret regarding many of the older air launched cruise missiles. Some of the internal guidance systems on these missiles have embedded chips. This has prompted concerns at the Pentagon about a potential Y2K problem that might send even more missiles haywire. "There were genuine concerns among the brass that they might 'lose' these babies," he said. "They were fortunate these wars came along and gave them the opportunity to unload their problem on Sudan, Afghanistan, Iraq and Serbia and the run back to the candy store for refills." Iraq, alone, has been hit with 90 of the older model missiles since December 1998. Another 200 have been dumped on Yugoslavia.

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Our Little Secrets

Was Clark at Waco?

On February 28, 1993 the Bureau of Alcohol, Tobacco and Firearms launched its disastrous and lethal raid on the Branch Dividian compound outside Waco, Texas. Even before the raid, members of the US Armed Forces, many of them in civilian dress, were around the compound.

In the wake of the Feb 28 debacle Texas governor Anne Richards asked to consult with knowledgeable military personnel. Her request went to the US Army base at Fort Hood, where the commanding officer of the US Army's III corps referred her to the Cavalry Division of the III Corps, whose commander at the time was Wesley Clark. Subsequent congressional enquiry records that Richards met with Wesley Clark's number two, the assistant division commander, who advised her on military equipment that might be used in a subsequent raid. Clark's man, at Richard's request, also met with the head of the Texas National Guard.

Two senior Army officers subsequently travelled to a crucial April 14 meeting in Washington, D.C. with Attorney General Janet Reno and Justice Department and FBI officials in which the impending April 19 attack on the compound was reviewed. The 186-page "Investigation into the Activities of Federal Law Enforcement Agencies Towards the Branch Davidians", prepared by the Committee on Government Reform and Oversight and lodged in 1996 (CR 104 749) does not name these two officers and at deadline CounterPunch has so far been unable to unearth them. One of these officers had reconnoitered the Branch Davidian compound a day earlier, on April 13. During the Justice Dept. meeting one of the officers told Reno that if the military had been called in to end a barricade situation as part of a military operation in a foreign country, it would focus its efforts on "taking out" the leader of the operation.

Ultimately tanks from Fort Hood were used in the final catastrophic assault on the Branch Davidian compound on April 19. Certainly the Waco onslaught bears characteristics typical of Gen. Wesley Clark: the eagerness to take out the leader (viz., the Clark-ordered bombing of Milosevich's private residence); the utter disregard for the lives of innocent men, women and children; the arrogant miscalculations about the effects of force; disregard for law, whether of the Posse Comitatus Act governing military actions within the United States or, abroad, the purview of the Nuremberg laws on war crimes and attacks on civilians.

No Bad Deed Goes Unrewarded

In the incestuously small world of orthodox economic theory, the John Bates Clark medal is a big deal. Some say it is the most prestigious honor, next to the Nobel Prize. Mind you this isn't saying much. The "economics Nobel" is awarded by a conservative group separate from the main Nobel industry. The Clark medal is awarded by the American Economic Association every two years to the most outstanding economist under forty. This spring the Clark medal was bestowed upon Andrei Schleifer, a 39-year-old Russian émigré who is a tenured professor at Harvard and a disciple of that architect of human misery, Treasury Secretary-in-waiting Lawrence Summers. Schleifer, an untiring apologist for capital, is regarded as one of the intellectual godfathers of the "shock therapy" privatization schemes that have plagued Russia for the past six years.

In tapping Schleifer for the award, the AEA ignored allegations of corruption made against the economist and some of his colleagues by the US Agency for International Development. The scandal stems from Schleifer's role in the Harvard Institute for International Development. Schleifer and fellow Harvard man Jonathon Hay ran HIID's Russia project, which worked side-by-side with Anatoly Chubais to orchestrate the Yeltsin government's privatization bonanza, a looting of the public treasury that makes the Salinas years in Mexico seem like petty larceny by comparison. The funding for the Russia project came courtesy of the US government, largely through $57 million in AID grants, much of it awarded without competitive bids. This is hardly surprising, since HIID had friends in the Clinton administration, namely Summers and his crony David Lipton, another Harvard man.

Investigators for AID believe that the HIID Russia project became a merry-go-round of self-dealing. Hay, for example, is suspected of steering AID resources to his girlfriend, who was running a Russian mutual fund called Pallada Assets Management. Schleifer's wife, Nancy Zimmerman, is a Boston-based hedge fund manager with big holdings in Russian bonds. The investigators believe that Schliefer and Hay may have invested government money in a private consulting firm that had Zimmerman as its first client.

In 1997, AID cancelled a $14 million contract with Hay and Schleifer's outfit, citing evidence that the men may have been engaged in business activities for their own enrichment. According to George Washington University professor Janine Wedel, "the men had allegedly used their positions to profit from investments in the Russian securities markets and other private enterprises." Afterwards, Schleifer, who says he did nothing illegal, left HIID, but remains at Harvard. There is a grand jury in Boston looking into the matter, as well as a continuing investigation by the Inspector General of AID. A full account of Schliefer, Hay, and the other Harvard boys' exploits in Russia can be found in Wedel's terrific book, Collision and Collusion: The Strange Case of Western Aid to Europe. The word is that Summers (a former Clark honoree himself) played a decisive role in securing the Clark medal for his buddy.

Moon's Glow

Among the thickets of liberal policy wonk groups in Washington there is an outfit that calls itself the Inter-American Dialogue, set up in the 1980s by Sol Linowitz, the former Carter era diplomat and fixer, and long nurtured by handsome disbursements from the Ford Foundation. The purpose of the Dialogue is obscure. According to its mission statement, it is supposed to promote peace and understanding throughout the Americas.

These days the Inter-American Dia-

General Wesley Clark was in command of the cavalry division at nearby Ft. Hood.

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logue is headed by Peter Hakim, who was incubated as a program officer at the Ford Foundation. Hakim writes a narcoleptic column in the Christian Science Monitor and is a frequent presence at policy retreats attended by mid-level federal bureaucrats and former political appointees who lust for a return to the spotlight. Acquaintances say Hakim burns to be hoisted to a ranking position in the State Department of an Al Gore (or perhaps even McCain or Bush) administration. His board is larded with a thesaurus of liberal Washington, including Bernard Aronson, congressman-turned-lobbyist Michael Barnes, evangelist-turned-carpenter Jimmy Carter, Drew Days, Carla Hills, Abe Lowenthal, columnist/economist Jessica Matthews, natural gas man and Clinton intimate Mack McLarty, former Nature Conservancy boss and Bush EPA-czar William Reilly, Elliot Richardson, Cyrus Vance and Judy Woodruff. Bruce Babbitt and Frederico Peña are on leave from the Dialogue while they do time in the Clinton administration. For good measure, Hakim has slotted at least two credentialed conservatives on the board, Gov. Tommy Thompson, the welfare-bashing bonehead from Wisconsin, and former Bush NSC head Brent Scowcroft, who recently warned of high NATO casualties if ground troops were sent to Kosovo. "And not all of them will be killed by the Serbs," predicted Scowcroft. "Expect the KLA to kill some just to keep the thing rolling along".

Normally, we'd never give such a comatose organization a second thought. However, a friend of CounterPunch passed us an invitation he had received to a party on April 28 at the Arbor Ballroom in Washington, featuring Hakim as a guest speaker. The black-tie event was to celebrate the launching of a new Latin American newspaper Tiempos del Mundo. Hakim was arm-in-arm not with one of Rev. Moon's top corporate generals, Dong Moon Joo, president of the Washington Times. Tiempos del Mundo, it turns out, is part of Moon's News World empire, which has zealously backed nearly every butcher in Latin America. Its publisher, whom Hakim introduced, is Phillip Sanchez, former US ambassador to Columbia and Honduras during the Nixon/Ford era.

This seemed an odd pairing. But a long-time Latin America watcher told us that she believed the Dialogue was becoming "an advance group for corporations seeking to exploit the emerging markets

Take Ford's millions and Rev. Moon and you get a typical Washington group on the make.

of Latin America". Certainly, that is the case for the Moonies, who also have a controlling interest in the Uruguayan paper Ultimas Noticias. Moon now bases his operations in Uruguay, where he delights in entertaining South American generals at his compound.

So we looked at the Dialogue's funding. Yes, the Ford Foundation is still sluicing tens of thousands its way, along with those other titans of the foundation world, the Pew Charitable Trusts, the McArthur Foundation and the Mellon Foundation. Hakim's group also has its hand in the government trough, taking money from that agent of misery, the US Agency for International Development and the quasi-governmental Inter-American Development Bank.

But more and more the Dialogue's funding appears to derive from corporations. In 1997, it raked in big checks from ATT, Banco Itau, BankAmerica, Capital Group, Corporation Andina de Fomento, General Electric, and Petroleos de Venezuela, one of the most brutish oil companies in South America.

Harlot's Progress

Ralph Cavanagh, NRDC's energy guru, hasn't seen a merger he can't bless. Two years ago Cavanagh came to Portland, Oregon to arm-twist local environmental and energy groups into supporting the takeover of Portland General Electric by Enron, the Houston-based energy giant. Now Cavanagh's back in the northwest, flouting his recent Heinz eco-genius award, as he flacks for Scottish Power's bid to acquire the Portland-based utility, PacifiCorp, which operates hydrodams and power plants across the Northwest and Rockies. CounterPunch has been sent a copy of Cavanagh's written testimony on the merger before the Public Utility Commission dated April 27, 1999. Environmentalists and consumer advocates have largely opposed the marriage, citing, among other matters, the unnerving precedent of allowing a foreign company to acquire a local utility.

Cavanagh quickly brushed aside these concerns, saying "I do not agree with those who contend that 'foreign ownership' of PacifiCorp is somehow inherently inimical to the public interest". Cavanagh notes that he has been "impressed with the people that Scottish Power has designated to take leadership positions" and says that they have "reached out to the entire public interest community with obvious sincerity and abundant goodwill". Translated: Scottish Power has promised lavish payouts to local eco-groups. Astonishingly, Cavanagh even vouches for the company's green record, telling the PUC that "Scottish Power has a solid reputation in terms of both environmental stewardship and reliability performance." Tell that to the people of Scotland, who are forced to breath the smog-fouled air belched from the company's coal-fired plants. Fortunately, Cavanagh's powers as a flack for big energy appear to be waning. The staff of the Oregon Public Utility Commission, who seem to be tiring of Cavanagh's carpetbagger appearances (he lives in the Bay Area), has recommended that the merger be squashed.

With Lethal Austerity

In early April, Colombia's president Andreas Pastrana was compelled to can two of the nation's top generals after their ties to the ultra-right wing death squads that rove the country were exposed. The two generals, Rito Alejo del Rio and Fernando Milan, didn't end up in the slammer for their crimes, but instead were feted during a party at The Red Salon in Bogota's Hotel Tequendama. The soirée was hosted by the man many expect to be Colombia's next president, Alvaro Uribe Velez.

According to the excellent Colombia Labor Monitor, Uribe Velez praised the generals for their "initiative, honesty and austerity". He slammed the Pastrana government for firing the generals and said that the war against the insurgents should be prosecuted with more vigor. Like many of Colombia's top brass, General Del Rio learned his trade at the School of the Americas, where he graduated on December 1, 1967. More than half of the alumni of this US Army run program in butchery and torture have been officers of the Colombia military, who have returned to practice their grim craft with lethal "austerity". ■

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Dispatches from the Wider War: Brazil's Elusive Miracle

Back in Brazil, where he reported for five years before returning to the US to put out CounterPunch, Ken Silverstein sends us these dispatches from a deadly economic siege.

Returning to Brazil after an absence of nearly six years, I felt I'd never left: An economy in crisis, charges of corruption swirling about government ministers, police brutality, drought and desperation in the impoverished northeast. One thing was different, though. In 1993, when I'd returned to the United States, Brazil had been going through a period of record inflation, with monthly rates hitting as high as 80 percent. Today, inflation stands at about 10 percent per year. In its place, unemployment has never been higher. The official (and vastly underreported) rate in Sao Paulo, the country's industrial hub, now hovers at nearly 20 percent.

Today's ripest scandal involves the incestuous relationship between the government and the nation's hugely profitable banking sector. On January 11, the dollar bought 1.3 Reals (the Brazilian currency). Within three weeks of the government's surprise decision that day to allow the currency to float on international markets, the dollar bought 2.2 Reals. (The dollar has subsequently fallen, but still buys 1.7 Reals.) The devaluation sent the economy into a downspin, but leading banks - including Citibank, J.P. Morgan, and the Bank of Boston — made a killing as, with miraculous foresight, they had bought up huge stocks of dollars just before the currency crashed.

There's a strong suspicion that someone at the Central Bank leaked word of the impending decision to float the currency, since until the week prior, the banks had been furiously selling dollars. The Senate has called a special commission to investigate, and that panel is also exploring the curious case of Francisco Lopes, who headed the Central Bank at the time the Real was devalued. Investigators discovered that Lopes maintained $1.7 million in an overseas bank account that was held for him in the name of a friend. Lopes has thus far not revealed the source of the money, which will be difficult to do since on his 1997 tax return, also obtained by the Senate, he had declared his net wealth to be about $90,000.

The Rich and the Poor

The Real's plunge came just two months after President Fernando Henrique Cardoso won re-election, campaigning on a platform that he would never devalue the nation's currency. Cardoso became a darling of the Western press after he declared the "Real Plan"- hence, the name of the currency — which opened up the country to foreign investment, reduced trade barriers, and otherwise called for the "free-market" reforms so favored by the U.S. With the country now in recession, the president's popularity level has fallen to about 30 percent, its lowest ever. One reason is that the famous Real Plan did little to change Brazil's status as one of the most inegalitarian countries on the planet, with the richest 1 percent of the population controlling more than 50 percent of the wealth. A study published by the Rio daily Jornal do Brasil finds that poor Brazilians spent 85 percent of their income just to meet basic needs such as food and housing - the exact same percentage they spent in 1934. "The poor continue to earn little and no wealth was effectively distributed [by the Real Plan]", economist Marcio Pochmann told the newspaper.

On April 22, a rally of leftist opposition parties drew 30,000 people to Belo Horizonte, the nation's third largest city. "We need to bring together workers, students, the landless, all of society, to fight against Fernando Henrique and this economic model", socialist opposition leader Luis Inacio Lula da Silva told the crowd.

Cardozo's Shift

Even before the Real's collapse, Brazil had signed a "rescue" package with the International Monetary Fund. Unemployment is so bad that when Rio's municipal garbage collection agency advertised to fill two positions, enormous lines formed, nearly leading to riots. After signing the deal with the IMF, Cardoso said that the austerity plan "cannot mean the destruction of social programs that are of fundamental importance to Brazil." Cardoso then proceeded to destroy those very same programs. For 1999, the budgets for 18 of 22 major social programs were reduced from their funding level for last year. Before coming to terms with the IMF, Cardoso planned to spend the piddling sum of $180 million for a program that offers supplemental income to the poorest of the poor. After signing the deal, that figure was cut to about $32 million.

The "Miracle" That Always Fails

As was the case with the "Asian tigers", the U.S. press was touting an "economic miracle" in Brazil not long before the economy went to hell. Typical was a lengthy dispatch filed by Ian Katz of Business Week last May 4, which said that with Cardoso's crackdown on inflation, Brazil's "economy has shifted from its old boom-and-bust cycles to steady, long-term growth. Business is thriving, and the country's clout and wealth are growing". The miracle was attributed to the government's wise "free-market" policies, with Katz espying a "growing self-confidence visible" across the country. Just four months

Brazil remains one of the most inegalitarian countries on earth, where one percent of people control eighty-five percent of the wealth.

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later, the economy was already trembling and Katz was now describing Brazil as "facing desperate times again", "a country battered by global financial markets", where "business is headed for the bunkers". In another four months, the Real began its nosedive and talk of "steady, long-term growth" evaporated from Katz's reports.

The economic plight is particularly awful in the semi-feudal northeast, where a severe drought has caused widespread starvation. Drought, a cyclical phenomenon, is essentially a political problem. Average rainfall in the northeast is greater than that in Israel or the state of Texas, and the region has enormous underground water reserves. But because governments have failed to invest in irrigation projects—and because to corruption—less than 10 percent of the rain is stored. One local researcher, Francisco Lopes Viana, has estimated that with $3 billion in investments it would be possible "to turn the backlands into a California". During the last drought, the federal drought relief agency drilled six wells on land owned by then-House Speaker Inocencio de Oliveira in Serra Telhada, a town where one-quarter of the residents were going hungry. The agency also drilled wells as the homes of rich people who wanted to keep their swimming pools filled. The situation today is still a far cry from the great drought of the early 1980s, when 250,000 people died, but is becoming increasingly desperate. In the state of Paraiba, 50 peasants recently sacked a municipal depot holding rice, sugar, canned fruits and other food for school lunch programs. A Rio newspaper reports that a northeastern woman attempted suicide because she couldn't bear to watch her children go hungry. The only "food" she had to offer her kids was palm leaves.

Shantytown's Success Story

Anyone who thinks poor people are lazy needs to visit Rocinha, the largest shantytown in Latin America with about 250,000 residents. Early in the morning a stream of residents come pouring out of the shantytown to work as hotel porters, construction workers, maids and at other low-paying jobs. Rocinha's residents aren't poor because they don't work, they're poor because most are paid

In 1996, the police in Rio killed 358 people, more than the number killed by police units in the entire United States. Most of the victims were shot in the head.

the minimum wage - about $80 per month - or something near it. What's most remarkable about the shantytown is that residents, with very little help from the government, have turned it into a relatively decent place to live. Hundreds of small businesses dot the hillside community, which boasts hardware stores, butcher shops, banks, clothing stores. Indeed, as Rocinha's residents stream out in the morning, there's also a stream of folks coming in to work for one of the favela's shopkeepers. There's also a community newspaper, three radio stations, and even a cable TV station that broadcasts directly from Rocinha. (There are some excellent but hard-pressed community-run social programs in Rocinha, including a day care center run by a friend of the author. Contributions sent to CounterPunch will be promptly forwarded!)

Killer Cops

Ahoy, Rudy Giuliani! Come on down to Brazil. In 1996, the police in Rio killed 358 people, more than the number killed by police units in the entire United States. Sixty-one percent of the victims had bullets in their head. Much of the violence stems from confrontations between police and drug traffickers based in shantytowns (the cops generally adapt a laissez-faire policy towards the traffickers unless their pay-offs are slow in coming). Friends of mine who live in Rio's hilly Santa Teresa district, in a house that overlooks a shantytown, pointed out eight holes in the side of their home caused by stray bullets from shootouts. At times, they see rifle-toting cops near their house shooting down into the favela. From that distance, it's clear they're not firing at anyone or anything in particular. Just keeping the folks in line.

Hallelujah for the Bum

Brazilians name colds the way Americans name hurricanes. Currently, the "Tiazinha" cold is sweeping through Rio and Sao Paulo. Tiazinha - "Auntie" in English - is the country's reigning sex symbol, at least for the time being. A 20-year-old former journalism student, Auntie - whose real name is Suzana Alves - stars on a TV variety show where she appears wearing a skimpy body suit, a Zorro-like mask, and wielding a whip. Other than twisting her hips, Auntie's chief role is to host the program's quiz show segment. When male contestants fail to answer questions correctly, Auntie waxes their legs. So why is it called the Tiazinha cold? Because it hits you hard and takes you to bed. Not everyone is amused by Auntie. Newspaper columnist Arnaldo Jabor wrote of her cult following, "While Americans voyage to Jupiter and Europeans unite their currency, we are looking at our behinds. It's where we will always be. Auntie is a sign of the times. The bottom is our historic destiny." ■

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Death Squads' Flack in El Salvador, Clinton's Man in Kosovo

From Moscow Mark Ames and Matt Taibbi send CounterPunch their report on the sinister William Walker.

Years from now, when the war in Serbia is over and the dust has set tled, historians will point to January 15, 1999 as the day the American Death Star became fully operational.

That was the date on which an American diplomat named William Walker brought his Organization for Security and Cooperation in Europe (OSCE) war crimes verification team to a tiny Kosovar village called Racak to investigate an alleged Serb massacre of ethnic Albanian peasants. After a brief review of the town's 40-odd bullet-ridden corpses, Walker searched out the nearest television camera and essentially fired the starting gun for the war.

"From what I saw, I do not hesitate to describe the crime as a massacre, a crime against humanity," he said. "Nor do I hesitate to accuse the government security forces of responsibility."

We all know how Washington responded to Walker's verdict; it quickly set its military machine in motion, and started sending out menacing invitations to its NATO friends to join the upcoming war party.

How Russia responded is less well-known. One would assume that it began preparations for a diplomatic strategy in the event of war, which it probably realized was inevitable. But in Russia's defense and intelligence communities, the sight of William Walker uncovering Serb atrocities on television almost certainly provoked a different, and more dramatic, reaction. As connoisseurs in the art of propaganda and the use of provocateurs, they recognized a good job when they saw one. And, more importantly, they knew who William Walker was, and that if William Walker is not a CIA agent, he's done a very bad job of not looking like one. Judge for yourself:

According to various newspaper reports, Walker began his diplomatic career in 1961 in Peru. He then spent most of his long career in the foreign service in Central and South America, including a highly controversial posting as deputy chief of mission in Honduras in the early 1980s, exactly the time and place where the Contra rebel force was formed. The Contra force was the cornerstone of then-CIA Director William Casey's hardline anti-Communist directive, and Honduras was considered, along with El Salvador, the front line in the war with the Soviet Union. From there, Walker was promoted, in 1985, to the post of deputy assistant secretary of state for Central America. This promotion made him a special assistant to Assistant Secretary of State Elliot Abrams, a figure whose name would soon be making its way into the headlines on a daily basis in connection with a new scandal the press was calling the "Iran-Contra" affair.

Walker would soon briefly join his boss under the public microscope. According to information contained in Independent Counsel Lawrence Walsh's lengthy indictment of Abrams and Oliver North, Walker was responsible for setting up a phony humanitarian operation at Ilopango airbase in El Salvador. This shell organization was used to funnel guns, ammunition and supplies to the Contras in Nicaragua.

Despite having been named in Walsh's indictment (although he was never charged himself) and outed in the international press as a gunrunner, Walker's diplomatic career did not, as one one might have expected, take a turn for the worse. Oddly enough, it kept on advancing. In 1988, he was named ambassador to El Salvador, a state which at the time was still in the grip of U.S.-sponsored state terror.

Walker's record as Ambassador to El Salvador is startling upon review today, in light of his recent re-emergence into the world spotlight as an outraged documenter of racist hate-crimes. His current posture of moral disgust toward Serbian ethnic cleansing may seem convincing today, but it is hard to square with the almost comically callous indifference he consistently exhibited toward exactly the same kinds of hate crimes while serving in El Salvador.

In late 1989 came one of the most notorious and ghastly killings of the 1980s in Central America, when Salvadoran soldiers executed six Jesuit priests, their housekeeper, and her 15 year-old daughter, blowing their heads off with shotguns, Walker scarecely batted an eyelid. When asked at a press conference about evidence linking the killings to the Salvadoran High Command, he went out of his way to apologize for chief of staff Rene Emilio Ponce, dismissing the murders as a sort of forgiveable corporate glitch, like running out of Xerox toner. "Management control problems can exist in these kinds of these kinds of situations," Walker said.

In discussing the wider problem of state violence and repression—which in El Salvador then was at least no less widespread than in the Serbia he monitored from October of last year until March of this year—Walker was remarkably circumspect. "I'm not condoning it, but in times like this of great emotion and great anger, things like this happen," he said, apparently having not yet decided to audition for the OSCE job.

Finally, in what may be the most amazing statement of all, given his current occupation, Walker questioned the ability of any person or organization to assign blame in hate crime cases. Shrugging off news of eyewitness reports that the Jesuit murders had been committed by men in Salvadoran army uniforms, Walker told Massachusetts congressman Joe Moakley that "anyone can get uniforms. The fact that they were dressed in military uniforms was not proof that they were military."

Later, Walker would recommend to Secretary of State James Baker that the United States "not jeopardize" its relationship with El Salvador by investigating "past deaths, however heinous."

This is certainly an ironic comment, coming from a man who would later recommend that the United States go to war

If Walker is not a CIA agent, he's done a very bad job of not looking like one.

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over...heinous deaths.

One final intriguing biographical note: Walker in 1996 hosted a ceremony in Washington held in honor of 5,000 American soldiers who fought secretly in El Salvador. While Walker was Ambassador of El Salvador, the U.S. government's official story was that there were only 50 military advisors in the country (Washington Post, May 6, 1996).

With a background like this, it seems implausible that Walker would be chosen by the United States to head the Kosovar verification team on the basis of any established commitment to the cause of human rights. What seems more likely, given Walker's background, is that he was chosen because of his proven willingness to say whatever his government wants him to say, and to keep quiet when he is told to keep quiet— about things like a gunrunning operation, or the presence of 4,950 undercover mercenaries (whose existence he regularly denied with a straight face) in the banana republic where you are Ambassador.

The Iran-Contra incident isn't the only thing in Walker's background which gives reason for pause. Another is his curious ability to remain in Central and South America throughout virtually his entire diplomatic career.

Not since before the fall of China has the State Department allowed its career people to remain in one place for any significant length of time. It is well-known among career foreign service people, though, that one of the few exceptions to this rule are the CIA agents in the embassies. Our intelligence people take longer to develop their contacts, and in order to preserve these "personal relationships" (bribe-takers don't like to change bagmen), they tend to hang around longer.

In Russia many believe that Walker assisted the KLA in fabricating a Serb massacre.

Walker was in Latin America virtually throughout his entire career, until he arrived in Kosovo. He had no experience in the region which qualified him to head the verification team in Yugoslavia. Furthermore, he spent the entire 1980s occupying high-level State positions in Central America, under the Reagan and Bush White Houses, when the region was the source of more East-West tension than in any other place in the world, and Central American embassies were the most notoriously CIA-penetrated embassies we had. You can draw your own conclusions.

There is a widespread belief not only in Russia, but in other countries, that Walker's role in Racak was to assist the KLA in fabricating a Serb massacre that could be used as an excuse for military action. Already, two major mainstream French newspapers—Le Monde and Le Figaro—as well as French national television have run exposes on the Racak incident. These stories cited a number of inconsistencies in Walker's version of events, including an absence of shell casings and blood in the trench where the bodies were found, and the absence of eyewitnesses despite the presence of journalists and observers in the town during the KLA-Serb fighting.

Eventually, even the Los Angeles Times joined in, running a story entitled "Racak Massacre Questions: Were Atrocities Faked?" The theory behind all these exposes was that the KLA had gathered their own dead after the battle, removed their uniforms, put them in civilian clothes, and then called in the observers. Walker, significantly, did not see the bodies until 12 hours after Serb police had left the town. As Walker knows, not only can "anybody have uniforms", but anyone can have them taken off, too.

The story of William Walker's involvement in the war is just one of a rapidly-growing family of tales cataloguing the incompetence and arrogance of the United States and its allies throughout the Kosovo conflict. Even if it isn't proof of some as-yet-unreleased sinister plan to secure a permanent military presence in the Balkans, the fact that the United States didn't even care to avoid the appearance of impropriety in its search for Serb atrocities says a lot about our approach to international relations. It says, "Go ahead and think the worst about us. We don't care. We've got more bombs than you do". ■

War Diary

From Kossovo to SMUD

In mid-May a CounterPunch editor traveled to Sacramento to give a talk at Time Tested Books, being invited by Scott Soriano, who works at the store and who also publishes an excellent local newsletter, Sacramento Comment. Having completed his remarks on the CIA, drug smuggling, the war on the Serbs, to an attentive crowd, the co-editor's eye was caught by the cover of a slim volume, on a high shelf behind the cash register, decorated with an engraving of a naked warrior with spear, and the title Kossovo, (the older spelling), subtitled "Heroic Songs of the Serbs, translated by Helen Rootham".

The store's owner, Peter Keat, was generous enough to make a gift of the slim volume, published by Houghton Miflin in 1923, with an intro by Maurice Baring and an informative historical preface by Janko Lavrin, citing both Jacob Grimm and Goethe on the genius of Serbian epic. Since there's plenty of patronising comment in the press about Serbia's unwonted obsession with its past and with defeat (some of this comment being written by British journalists brought up on obsessive school lessons about the Battle of Hastings and of the retreat from Dunkirk), let us quote from Lavrin averring that "the entire political mentality of even the modern Serbian peasant has been formed...chiefly by folk-poetry...That is the reason why his fervent patriotism has such a romantic, noble and almost religious character".

This enthusiasm for epic poetry could be studied with profit by our own legislators. Lavrin cites an historical memoir of Mrs E. Lawton-Mijatovich: "During the winter of 1873-74, happening to be in Kragrjevatz during the meeting of the National Assembly, I had the opportunity of hearing a certain peasant, Anta Neshich, recite in blank verse to numerous audiences outside the Assembly Room the whole debate on the Bill for introducing the fresh monetary system into Serbia, concluding with the final acceptance of the Bill. The poet put the debate on the Budget in the same tak-

(War Diary continued on page 10)

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ing form, to the great delight of his many auditors."

War reporting in the fourteenth century could also be studied with profit by Wesley Clark, Jamie Shea and the others. Here's how Sultan Murad II recorded the death of his father, Murad I, at Kossovo, writing to Suleiman Bey, the Kadi of Brussa: "When this my firman comes into your hands you should know that in accordance with Allah's will there was a battle on the field of Kossovo. My father, Sultan Murad, whose life had been happy and whose death was that of a martyr, prayed to Allah, after a vision whilst sleeping, to make him worthy of martyrdom. The battle being ended, he returned unhurt and in his full health, from the battlefield to his tent, which was elevated towards the heavens. And while we enjoyed the greatest pleasure in seeing how the cut heads of the Christian dukes rolled under the horses' hoofs, and how many of them with tied hands and others with broken legs stood, there suddenly appeared a fighter, by name Milosh Obilich. He came perfidiously, saying that he accepted Islam, and asking that he might so be ranked in the victorious army. When after his

War reporting in the fourteenth century could also be studied with profit by Wesley Clark, Jamie Shea and the others.

own wish he was allowed to kiss the feet of the illustrious Sultan, he drew a poisonous hanjar hidden in his Sultan, sorely wounding him. Thus he caused the illustrious sultan to drink the sherbet of martyrdom. After this deed Milosh tried to escape through the soldiers who shone like stars in the sky, but was caught by them and cut in pieces...."

Like almost all other chroniclers of battle, Murad II was being not entirely truthful. His father was stabbed and mortally wounded by Milosh before the battle began. As for Kossovo now, "the plain of blackbirds", the words of the epic poet need not be changed:

"Kad u jutru danak osvanuo,
Ali lete dva vrana gavrana,
Krvava im krila do ramena,
Na kljunove b' jela pjena trgla..."

"On the morrow as the dawn is breaking,
Lo, there fly two ravens, two black ravens;
Bloody are their wings up to the shoulders,
From their beaks the blood-flecked foam is falling."

Peter Keat, of Time Tested Books, combines love of literature with activism as a member of the board of Sacramento Municipal Utility District, a publicly owned utility which distributes electricity from hydro-power generated off dams on the American river. SMUD, a decade ago, gave Sacramento voters the chance to decommission Rancho Seco nuclear reactor, which they duly did, simultaneously voting in a progressive SMUD board, on which Keat is one member. SMUD is a model of its (sadly dwindling) kind. It has eliminated burdensome deposits, pushes energy conservation, co-generation and solar programs. SMUD's rates are far lower than PG&E's; it has imposed no rate increase in eight years and has seen its bond rating go up steadily. Big companies have to pay their proper whack and are not, as is usually the case, subsidized by the ordinary comsumers. All in all, SMUD is a fitting subject for Serbian epic poetry. ■

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